



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

March 5, 2014

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

SACRAMENTO UPDATE – DROUGHT RELIEF LEGISLATION

Executive Summary

This memorandum contains an update on the Drought Relief Package, passed by the Legislature and signed by Governor Brown on March 1, 2014, which will accelerate projects to improve the State's water supply and storage and provide funding to provide a wide-range of emergency assistance to communities adversely impacted by drought conditions.

Background

On January 17, 2014, Governor Brown declared a drought State of Emergency and directed State and local officials to take all necessary actions to prepare for the drought conditions. The declaration included directives to assist farmers and communities that are economically impacted by dry conditions and ensure the State can respond if Californians face drinking water shortages, and gave State water officials more flexibility to manage water supply throughout California. The Governor also called on all Californians to voluntarily reduce their water consumption by 20 percent.

Shortly thereafter, the Governor, Senate President Pro Tem Steinberg, and Assembly Speaker Perez announced they were drafting urgency legislation to provide funding for shovel-ready water projects and emergency assistance to communities adversely affected by the drought. They also indicated that the legislation would also streamline State rules to enable more water recycling, provide strong enforcement of water rights

"To Enrich Lives Through Effective And Caring Service"

***Please Conserve Paper – This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only***

and provide housing assistance for people experiencing unemployment, homelessness or other economic hardships as a result of the drought.

Drought Relief Package

SB 103 (Committee on Budget and Fiscal Review), which as amended on February 24, 2014, appropriates funding for immediate drought relief, water efficiency, emergency drinking water provisions, groundwater protection, and flood management.

Specifically, SB 103 amends the FY 2013-14 State Budget Act to appropriate \$193.9 million for State and local programs designed to reduce the impact of drought as follows:

- **Water Efficiency:** Provides \$30.0 million from cap and trade auction revenues to the California Department of Water Resources for reduction of greenhouse gas emissions and also for local water use efficiency programs. Of this amount, \$20.0 million is directly for local assistance and \$10.0 million is to be used for State water efficiency projects. Provides \$10.0 million from cap and trade auction revenues to the California Department of Food and Agriculture for agricultural water efficiency projects that reduce greenhouse gas emissions. Funding for greenhouse gas emission reduction programs will be subject to a 30-day legislative notification prior to expenditure.
- **Food Assistance:** Allows \$25.3 million from the State General Fund to be allocated by the California Department of Social Services for food assistance for those impacted by drought.
- **Water Quality:** Provides \$7.0 million from the Water Pollution Control Revolving Fund for small and severely disadvantaged communities impacted by drought for low and no-cost loans to improve water quality compliance. Provides \$4.0 million from the Cleanup and Abatement Account for similar purposes.
- **Groundwater Monitoring:** Provides \$1.2 million (Waste Discharge Permit Fund) to the State Water Resources Control Board for the Groundwater Ambient Monitoring and Assessment Program for monitoring and measurement of groundwater statewide.
- **Drinking Water Assistance:** Provides \$15.0 million in State General Funds to the California Department of Public Health for emergency drinking water assistance for drought-impacted areas, including those with impacted groundwater quality. These funds are to be used after all eligible Federal funds are utilized.

- **Conservation Corps:** Provides \$13.0 million in State General Funds to the California Conservation Corps to conduct water efficiency and drought-response projects and education, and for local assistance grants to certified community conservation corps.
- **Fish and Wildlife:** Provides \$2.3 million in State General Funds to the California Department of Fish and Wildlife for urgent fish and stream conservation activities necessitated by drought.
- **Employment Training:** Provides \$2.0 million State General Funds to the Employment Development Department to provide flexible training services to workers and employers in localities designated by the Governor for drought or other disaster relief.
- **Disaster Assistance:** Provides \$1.8 million State General Funds to the Office of Emergency Services for local coordination of drought-related disaster assistance.
- **Groundwater Monitoring and Protection:** Provides \$1.0 million State General Funds to the California Department of Water Resources for groundwater monitoring and reporting. Provides \$800,000 in State General Funds to the State Water Resources Control Board for activities that protect groundwater resources in critical basins.
- **Public Education:** Provides \$1.0 million State General Funds to the California Department of Water Resources for immediate public education about water through the Save Our Water Campaign.
- **Flood:** Provides \$77.0 million (Proposition 1E Bond Funds) to the California Department of Water Resources for state and local programs that provide multi-benefit flood protection, water supply and water reliability.

SB 104 (Committee on Budget and Fiscal Review), which as amended on February 24, 2014, makes various changes to the FY 2013-14 State Budget Act and appropriates \$472.5 million in bond funds to provide immediate drought relief, water efficiency, housing assistance and water supply protection related to the drought as follows:

- **Integrated Regional Water Management:** Provides \$472.5 million for integrated regional water management grants (mainly local assistance). Accelerates the allocation of funds and required co-benefits for water supply, water efficiency, and/or drought.

- **Housing Assistance:** Allows \$10 million from the existing Housing Rehabilitation Loan Fund appropriation to be made available for rental assistance related to the drought. Authorizes the California Department of Housing and Community Development to make the Office of Migrant Services available for persons or families experiencing hardships as a result of the drought.
- **Penalties for Illegal Diversions:** Revises the definition of a critically dry (drought) year and applies this definition to increased penalties for illegal diversions from \$500 to \$1,000 per day and \$2,500 per acre foot of water. Non-drought year provisions remain the same. Increases the penalty for violating a cease and desist order for water diversion from \$1,000 to \$10,000 per day in drought years. Penalties and civil liability may be imposed by court or State Water Resources Control Board order.
- **Water Recycling:** Amends the emergency regulations for water recycling to include critically dry years or drought emergencies declared by the Governor as eligible criteria. Under existing law, the State Water Resources Control Board has authority to develop emergency drought regulations; however, because of how narrowly existing statutes are crafted, this authority is not available during this year.

SB 103 passed the Assembly Floor by a vote of 64 to 3 on February 27, 2014. SB 104 passed the Assembly Floor on the same day by a vote of 68 to 1. The bills then immediately went to the Senate, which passed SB 103 by a vote of 34 to 2 and SB 104 by a vote of 33 to 3.

The Governor signed both bills on March 1, 2014. The bills, which are urgency measures, became effective immediately.

We will continue to keep you informed.

WTF:RA
MR:AO:lm

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations